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15 October 1979

REMINDER MEMO

SUBJECT: The First Seminar with the Economists

1. [redacted] points at the Business Council:

- a. A balanced budget.
- b. Tight monetary policy reducing the supply of money.
- c. Continued wage price constraints.
- d. Reduction of cost-raising actions by the government,
e.g., regulatory burdens.
- e. Stability of the dollar internationally--BOP.
- f. Holding back energy costs.
- g. Greater investment in creativity.

2. [redacted] comment--there is a risk on the agriculture side.
It is a bad crop year.

3. [redacted]

- a. Common remedies won't do. Controlling demand is inadequate.
Need to control the supply production side.
- b. Strategy for the 1980s.
 - (1) Balance the budget.
 - (2) Decrease government regulations.
 - (3) Encourage private investment through tax incentives.
 - (4) Encourage industrial innovation.
 - (5) Solve the energy problem.
 - (6) Improve human capacities through training.
 - (7) Reduce antitrust interference with a market structure
that will make us more competitive on the international scene.
 - (8) Expand trade.

by Trip file

15 October 1979

REMINDER MEMORANDUM

SUBJECT: Impressions from Discussion with
the Midcareer Course

1. There is a considerable mistrust of the supervisors and their degree of control over careers.
2. There is a great fear of the new proposed program to give bonuses to GS-13s through GS-15s at the expense of half of the cost of living increase for others. They feel it will make people behave in a conservative way.
3. There is a great push for specialists, but DDO has recently abolished the specialist category.
4. Why can't there be transfers into the DDO? Can't the DDO do a survey of where they are short of people today--presumably mainly in Headquarters support? Would they not be better off with experienced people from NFAC, DDS&T or DDA filling those positions than brand new CTs? Are they up to their full quota of people?

15 October 1979

REMINDER MEMORANDUM

Discuss with DDCI--let's take some dramatic action on Agency-wide advertising for secretarial openings.

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REMINDER MEMORANDUM

Discuss with DDCI--I'd like to approve the Annual Personnel Plan numbers for recruiting and promotion -- soon.

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 and count Soviet missile silos than it is for them to tell the nationality of soldiers in a troop emplacement. Verification of what the Soviets are doing in strategic nuclear weaponry will be much easier with SALT than without it, because each side will be governed by the treaty's limits on numbers and sizes of missiles, and we can look by satellite for violations. Without SALT there will be no limits, and no rules against hiding, coding signals, and other actions that will constitute "cheating" if SALT is in force.

As to Soviet intentions in the Western Hemisphere, there is no doubt that, given an opportunity, the Soviets would expand their influence. But 2500 soldiers armed with 40 tanks and some armored personnel carriers and artillery pieces—but no airlift or sealift capacity—scarcely represent a threat to the United States or any other country in the Western Hemisphere. They are not even new. The Soviets had 20,000 troops in Cuba at the time of the 1962 missile crisis. In February 1963, Defense Secretary Robert McNamara said the Soviets still had 17,000 combat troops. President Kennedy and Secretary of State Dean Rusk pronounced them no threat to the US. Kennedy made clear that the United States would not permit Soviet troops or Cuban troops to intervene in conflicts elsewhere in the Hemisphere. To the best of anyone's knowledge, they never have done so.

In spite of the evidence and the Kennedy-era precedents, anti-SALT forces managed to whip Washington into a frenzy over the Soviet brigade. The Carter administration, having let matters get out of its control, over-reacted. It tried to explain that there was no threat here and that everyone should calm down. But both President Carter and Secretary of State Vance said this was a "serious" matter and that the "status quo" was "unacceptable." Administration phrase-makers seem to have thought "status quo . . . unacceptable" was a clever device designed to produce success whatever happened. But what Vance and Carter were understood to mean was that the US was insisting the Soviet Union had to remove its troops . . . or else. The administration could not deliver upon this threat, although it did secure Soviet "assurances" that the size and nature of the force in Cuba would not be expanded.

In the real world, this isn't a bad outcome for US-Soviet negotiations. It will prevent the Soviets from using our acceptance of 2500 combat forces as permission to introduce 40,000. But because the administration raised false expectations about its intentions, the opponents of SALT are only too glad to make capital out of the fact that the 2500 soldiers still are there. Even Senator Church is urging a treaty reservation saying SALT can't go into effect unless the president can certify the 2500 are gone.

With any luck, the Soviets may quietly disperse their force in order to pacify the SALT opposition. But suppose this happens. Will we have won a "victory"? We certainly will not have demonstrated—as seems to

be desperately necessary for some Americans—that we can face down the Soviets, 1962-style, and make them crawl. If they withdraw any forces, it will be as part of a confident show of restraint on their part. It will be a demonstration that they want SALT badly. It would be good if they did this, but it will not satisfy any SALT opponents. They will simply argue that SALT gives the Soviets such strategic advantages that the USSR was even willing to forgo its beachhead in the Western Hemisphere to get the treaty passed.

Of President Carter's other responses to the Cuban "crisis," some are ludicrous, such as the order to have Marines storm the beaches at our Cuban naval base at Guantanamo. Others are sensible, but irrelevant, such as establishment of a joint task force headquarters in Key West. Still others are meritorious—and relevant—but these are the ones that probably will have least priority for the administration, or will be stymied by Congress: expanded foreign aid for troubled, subversion-prone countries in Latin America; and establishment of an effective quick-reaction military force to intervene in real crisis areas in the world.

Soviet troops in Cuba are part of joint Soviet-Cuban military and political activity all over the third world, especially in Africa. This is a challenge to which the United States so far has found no answer. Defeating the SALT treaty is certainly no answer at all. Despite the poses struck by American hawks, the US is unlikely to go to war any time soon to prevent Cuba from expanding its 50,000-man force in Africa. There are cases—Yemen this year was a good example—when US military power can be effectively employed to halt pro-Soviet aggression. We need an effective quick-reaction force and an expanded Indian Ocean fleet to deter—and, if necessary, resist—military threats to our Persian Gulf oil sources. And there are cases of civil war, such as Angola, when giving overt or covert military aid might make the difference between a communist victory and the triumph of pro-Western forces. But in most cases, Cubans are present in Africa by invitation, and trying to expel them would be an act of aggression on our part.

What are the answers to the Soviet-Cuban challenge? Realistically, they lie in politics, attention, and spending US resources to meet the development and security needs of particular third world countries. If the United States wants to block Soviet and Cuban expansion, it will have to devise and execute carefully tailored policies for individual third world countries, offering them more political help, more economic assistance, and (when necessary) more arms than the Communists do. We can tailor disincentives, too, for regimes that tilt or fall to the Communists, but we should not declare even these irrevocably lost. If we do not devote our attention and resources to Africa and Latin America—and to our own conventional and nuclear forces—we will suffer defeat after political defeat in the 1980s, and 2500 Soviet soldiers in Cuba will be irrelevant, as they are and always were.